



State of Idaho

Legislative Services Office

Management Report

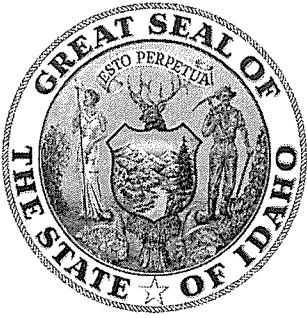
A communication to the Joint Finance-Appropriations Committee

IDAHO MILITARY DIVISION

FY 2007, 2008, and 2009

Report IC19009
Date Issued: March 30, 2010

Serving Idaho's Citizen Legislature



Don H. Berg, Manager
Audits Division

**Idaho Legislative Services Office
Legislative Audits Division**

IDAHO MILITARY DIVISION

SUMMARY

PURPOSE OF MANAGEMENT REVIEW

We conducted a management review of the Idaho Military Division covering the fiscal years ended June 30, 2007, 2008, and 2009. Our review covered accounting controls over the procurement of capital assets, travel expenditures, and emergency communications program to determine that activities are properly recorded and reported.

The intent of this review was not to express an opinion, but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

CONCLUSION

We did not identify any significant conditions or weaknesses in the programs reviewed.

FINDINGS AND RECOMMENDATIONS

There are no findings and recommendations in this report or in the prior report.

A copy of this report is available at <http://www.legislature.idaho.gov/audit> or by calling 208-334-4832.

AGENCY RESPONSE

The Division has reviewed the report and is in general agreement with its contents.

FINANCIAL INFORMATION

The following financial data is for informational purposes only.

IDAHO MILITARY DIVISION – FISCAL YEAR 2009

Fund	Fund No.	Beginning		Less Disbursements	Ending Appropriation* /Cash Balance
		Appropriation/ Cash Balance	Plus Receipts		
General Fund	0001	\$9,456,986	\$8,096	\$8,114,595	\$1,350,487
Hazardous Substance Response	0100	(58,295)	76,348	85,620	(67,567)**
Indirect Cost Recovery	0125	135,191	247,960	157,221	225,930
Disaster Emergency Account	0231	3,128,479	3,126,998	5,686,107	569,370
Disaster Emergency Subgrant	0232	125,040	420,299	478,150	67,189
Communications Network	0275	264,049	1,376,781	151,738	1,489,092
American Reinvestment	0346	0	237,881	19,571	218,310
Federal Grant	0348	335,780	43,254,159	42,906,129	683,810
Miscellaneous Revenue	0349	85,565	77,741	106,463	56,843
Administration Services	0450	1,115,770	2,647,110	2,413,835	1,349,045
Rotary Fund	0884	19,428	97,335	98,995	17,768
Total Fund Balances		\$14,607,993	\$51,570,708	\$60,218,424	\$5,960,277

*The General Fund ending appropriation consists of an encumbrances of \$1,360,613 and a negative reversion of -\$10,126 for reimbursement of National Guard Workman's Compensation amounts paid through continuous appropriation.

**The Hazardous Substance Response Fund is authorized by Idaho Code, Section 39-7110 to issue deficiency warrants to pay cleanup costs prior to reimbursement.

OTHER INFORMATION

We discussed issues which, if changed, would improve internal control, compliance, and efficiency.

This report is intended solely for the information and use of the State of Idaho and the Idaho Military Division and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the Idaho Adjutant General, Brigadier General Gary L. Sayler, and his staff.

ASSIGNED STAFF

Eugene Sparks, CPA, CGFM, Managing Auditor

Patrick Aggers, CPA, In-Charge-Auditor

Kyle Wilmot, Staff Auditor

Shannon Thomas, Staff Auditor

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AGENCY RESPONSE



MILITARY DIVISION, STATE OF IDAHO

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BOISE, IDAHO 83705-5004

C. L. BUTCH OTTER
GOVERNOR

THE ADJUTANT GENERAL
GARY L. SAYLER

March 9, 2010

Legislative Audit Team
Legislative Services Office
Statehouse
P O Box 83720
Boise, ID 83720-0054

Gentlemen:

We appreciate the review you conducted of our management controls and fiscal policies and procedures during the FY 2007, 2008 and 2009 audit of the Military Division. It is advantageous to our organization to have an independent, professional assessment of our practices and procedures.

We are pleased that we have no audit findings for the above period. I have reviewed the issues and recommendations in your audit update letter of March 1 and concur with your recommendations. Our fiscal staff has already taken steps to improve your suggested comments.

Thank you for your professionalism and courtesy during your visit to the Military Division.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary L. Saylor".

GARY L. SAYLER
Major General (S)
Adjutant General

APPENDIX

HISTORY

The Idaho Army National Guard dates back to the territorial days of 1873. During World War II, the Boise Municipal Airport was utilized by the military for construction of an Army Air Corps flight training base. The federal government also leased property within the Gowen Field area. Gowen Field, as a military facility, was offered to the State of Idaho for use by the National Guard following the war. The Idaho Army National Guard was reorganized, and the Idaho Air National Guard was added to the responsibilities of the Adjutant General's Office. In 1974, the name of the Office of the Adjutant General was changed to the Military Division of the Office of the Governor.

The Idaho Army National Guard comprises the following units: Troop Command; 116th Cavalry Brigade; 204th Regiment (Regional Training Institute); Gowen Field Training Center; 183rd Aviation Battalion; 938th Engineer Detachment; 25th Army Band; and the 115th Mobile Public Affairs Detachment. The Idaho Army National Guard occupies 118 facilities in 25 communities across the State.

The Idaho Air National Guard comprises the State Headquarters Unit and the 124th Wing. The 124th Wing is a dual flying unit with fighter aircraft assigned to the 190th Fighter Squadron and tactical airlifters assigned to the 189th Airlift Squadron. Additionally, there is a geographically separated unit, the 266th Range Squadron, assigned to the 124th Wing, located at Mountain Home Air Force Base.

Employees of the Military Division are advisors from the regular Air Force, regular Army, Active Guard Reserve (AGR), and full-time Civil Service and State employees. Many of the personnel are based in local units throughout Idaho's communities.

In July 1971, the operation of the Department of Disaster Relief and Civil Defense was added to the Adjutant General's Office. The name was later changed to the Bureau of Disaster Relief and Civil Defense when it became a bureau within the Military Division.

The Idaho Disaster Preparedness Act of 1975 (Chapter 10, Title 46 of the Idaho Code) changed the name to the Bureau of Disaster Services and required each Idaho county to establish and maintain a disaster agency. According to the Act, it is the policy of the State of Idaho to plan and prepare for disasters and emergencies resulting from natural or man made causes, enemy attack, sabotage, or other hostile action.

In 1997, the Bureau of Hazardous Materials was transferred from the Governor's Office to the Military Division. In 2004, this bureau was statutorily combined with the Bureau of Homeland Security, to more closely align the State's homeland security programs with the U.S. Department of Homeland Security.

The purpose of the Bureau of Homeland Security is to plan and prepare for disasters and emergencies for both the State and its political subdivisions. The bureau not only plans assistance, but also coordinates activities and operations of training programs and the pass-through of federal funds.

The bureau's hazardous materials section is responsible for coordinating the hazardous material cleanups throughout the State. This coordination involves regional hazardous response teams imbedded in the regional fire departments located strategically around the State. This bureau also coordinates training exercises for hazardous material cleanups.

In 2007, the legislature transferred responsibility of the E911 Commission, the statewide microwave services, and the public safety communications programs from the Department of Administration to the Military Division. The E911 Commission collects fees from system users. The microwave services and public safety communications programs receive funds from various State, county, and federal entities.

STATUTORY AUTHORITY

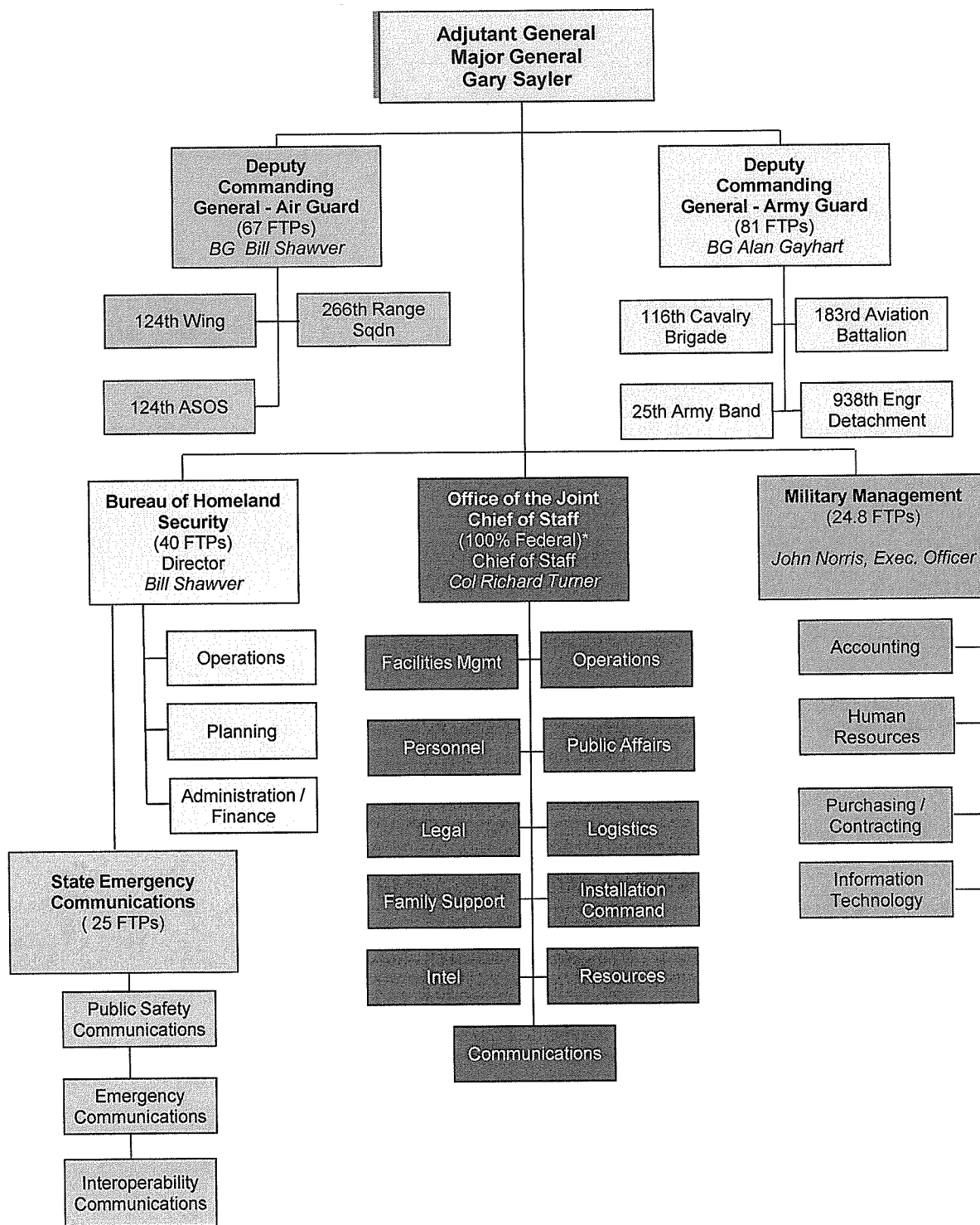
The Constitution of the State of Idaho, Article 14, states that the legislature shall provide by law for the enrollment, equipment, and discipline of the militia. Title 46 of the Idaho Code allows the Governor to appoint an Adjutant General to organize, equip, and discipline the militia, with the Governor acting as the Commander-in-Chief.

FUNDING

The Military Division is financed by a State General Fund appropriation and federal funds. The federal funds are received under cooperative funding agreements for maintenance and operational expenses of equipment, storage, and training facilities of the Army and Air National Guards. The federal government provides part of the funding for administrative costs of State and local offices; special projects; and, during presidentially-declared disasters, funds for units of government suffering damages and losses.

ORGANIZATION

The Military Division is a division within the Governor's Office. The Adjutant General, the Commanding General of the military forces, is appointed by the Governor and serves at the pleasure of the Governor. The attached organizational chart depicts the overall structure of the Military Division.



* The Office of the Joint Chief of Staff is unique to state government in that it operates as a separate federal entity, yet remains under the command of the state adjutant general. There is no federal spending authority from the state for the Office of Joint Chief of Staff.